

Public Purpose/Impact Analysis

Title of Project: World Jewelry Center - Disposition and Development Agreement with an Owners Participation Agreement as Exhibit "C"

Project Description: World Jewelry Center (WJC) involves the development of approximately 5.84 acres of vacant land known as Parcel E on Union Park within the City of Las Vegas (the "Project") with 1,350,000 square feet of mixed-use development. The Project developer is Heritage-Nevada VIII, LLC of Beverly Hills, California. The Project involves two buildings with three distinct but interrelated elements: 1) 815,229 sq. ft. of Class A office space on 42 floors 2) 139,052 sq. ft. of residential condominium space consisting of 98 units on 10 floors. The Class A office and the residential condominiums make up an iconic tower. 3) And approximately 225,000 sq. ft. of space to include various stores, restaurants and related services in an adjacent building

The WJC will also have a parking structure which will consist of one below and ten above grade levels with 2,778 parking spaces. The parking structure will provide parking for the retail center as well as the office and residential units in the tower.

Sponsor/Developer: Office of Business Development / City Parkway V, Inc.

Assistance Provided by: Applied Economic Analysis

Number of Direct Jobs Created: 4,001

Number of Indirect Jobs Created: 2,647

Number of Direct Jobs Retained: 0

Pertinent Statutes Used for Public Purpose:

N.R.S. 279, N.R.S. 244, N.R.S. 266, N.R.S. 268

How Does the Project Benefit the Public:

The developer is bringing a new national and international industry to Las Vegas that currently does not exist in the City. A Foreign Trade Zone has been approved for Parcel E to facilitate the success of the international venue. The over 4,000 employees in the project will earn, on average, an annual wage of \$55,000, which is above the current median household income.

Quantitative Economic Benefits:

- 1) **A total of 5,000 to 6,000 construction workers on site with 1,600 workers on site per day at peak development**
- 2) **4,001 new jobs at build-out**
- 3) **\$5.3 million new annual Tax Increment Revenue to the Redevelopment Agency and \$3 million annual to the Affordable Housing Set-aside program**
- 4) **Project will bring 4,301 new residents to the valley**
- 5) **Project will create substantial demand for additional Hotel/Casino, Retail, Office and residential space.**

Private Investment:

\$845,798,866 invested by developer in the construction of an iconic Class A office tower with adjoining retail

Public Investment:

- 1) **A reduced land price from a) high value of \$180 per sq. ft. b) Average value of \$147.5 per sq. ft. c) low value of \$115 per sq. ft. to \$40 per sq. ft.**
- 2) **Tax Increment Financing for a 50% rebate of available accrued taxes. Possible TIF Note of \$81,386,167**

Total direct Economic Impact:

**\$290 million from construction workers annual over two or three years
\$506 million annually at build-out from the 4,001 new jobs created
Net Present Value of \$81,386,167 in tax increment to the Redevelopment Agency**

Total Indirect Economic Impact:

Adding to the critical mass of office, residential and retail components needed for a successful downtown district.

Economic Impact Study Performed: Yes No **XX**

Return on Investment Analysis Performed: Yes ☐ No **XX**

ANALYSIS OF THE
PUBLIC PURPOSE AND BENEFITS
OF THE WORLD JEWELRY CENTER PROJECT

City of Las Vegas
Office of Business Development
Las Vegas Redevelopment Agency
December, 2007



CITY OF LAS VEGAS
REDEVELOPMENT AGENCY

WORLD JEWELRY CENTER - LAS VEGAS
PUBLIC PURPOSE/PUBLIC BENEFIT ANALYSIS

World Jewelry Center (WJC) involves the development of approximately 5.84 acres of vacant land known as Parcel E on Union Park within the City of Las Vegas (the "Project"). The Project site is bounded by Grand Central Parkway to the west, Bonneville Avenue to the south and the Union Pacific Railroad Rail Line to the east. The Project developer is Heritage-Nevada VIII, LLC of Beverly Hills, California.

The Project involves two buildings with three distinct but interrelated elements:

- 1) 815,229 sq. ft. of Class A office space on 42 floors
- 2) 139,052 sq. ft. of residential condominium space consisting of 98 units on 10 floors

The Class A office and the residential condominiums make up an iconic tower.

- 3) And approximately 225,000 sq. ft. of space to include various stores, restaurants and related services in an adjacent building

The WJC will also have a parking structure which will consist of one below and ten above grade levels. The parking structure will provide parking for the retail center as well as the office and residential units in the tower.

The developer has asked the City of Las Vegas Redevelopment Agency to consider providing tax increment financing incentives. The Agency is proposing in the Owner Participation Agreement (OPA) to offer a rebate of 50% of Available Accrued Real Property Taxes collected by the Agency based on the scope of the Project.

In order to evaluate the public purpose and benefits of the proposed project, the Agency is following the guidelines established in the Community Redevelopment Law. Pursuant to NRS 279.486, in order for the Project to participate in TIF, the Agency must determine (a) The buildings, facilities, structures or other improvements are of benefit to the redevelopment area or the immediate neighborhood in which the redevelopment area is located; and (b) no other reasonable means of financing those buildings, facilities, structures or other improvements are available. The Agency has determined that the Project satisfies both of these tests. In reaching this determination, the Agency is making the following findings which are supported by the following supporting documentation:

SUMMARY OF REQUIRED FINDINGS
PER NRS CHAPTER 279.486(a)

	NRS Subsection	Finding	Supporting Documentation
1.	279.486(2)(a)(1)	Encourage the creation of new business or other appropriate development	Economic & Fiscal Impact Analysis
2.	279.486(2)(a)(2)	Create jobs or other business opportunities for nearby residents	Applied Economics Analysis

	NRS Subsection	Finding	Supporting Documentation
3.	279.486(2)(a)(3)	Increase local revenues from desirable sources	Applied Economics Analysis
4.	279.486(2)(a)(4)	Increase levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located	Applied Economics Analysis
5.	279.486(2)(a)(5)	Possess attributes that are unique, either as to type of use or level of quality and design	Applied Economics Analysis
6.	279.486(2)(a)(6)	Require for their construction, installation or operation the use of qualified and trained labor	Employment Plan
7.	279.486(2)(a)(7)	Demonstrate greater social or financial benefits to the community than would a similar set of buildings, facilities, structures or other improvements not paid for by the agency	Applied Economics Analysis
8.	279.486(c)	Comparisons between the level of spending proposed by the agency and projections, made on a pro forma basis by the agency, of future revenues attributable to the buildings, facilities, structures or other improvements	Applied Economics Analysis
9.	279.486(a)(2)	No other reasonable means of financing those buildings, facilities, structures or other improvements are available	Tax Increment Financing Application Summary

Finding 1: The Project encourages the creation of new business or other appropriate development.

Finding 2: The Project creates jobs or other business opportunities for nearby residents.

Finding 3: The Project Increase local revenues from desirable sources.

Finding 4: The Project Increase levels of human activity in the redevelopment area or the immediate neighborhood in which the redevelopment area is located.

Finding 5: The Project possesses attributes that are unique, either as to type of use or level of quality and design.

The attributes of the project are truly unique. The proposed World Jewelry Center does not currently exist in the City of Las Vegas, and will enhance the national and international business identity of Downtown Las Vegas.

Finding 6: The Project requires for its construction, installation and operation the use of qualified and trained labor.

The Tower section of the project, which will contain the office and residential components, will be made up of 52 floors. The developer estimates 5,000 to 6,000 construction workers will be employed on the project over the course of construction. At peak development there could be 1,600 construction workers on the site each day. The Agency will require the developer to pay Prevailing Wage to all workers employed in the construction of the core and shell of the project. According to the Nevada Labor Commissioner the lowest prevailing wage for a Laborer is \$37.64 per hour or \$78,297 annually, which means WJC during construction could disburse more than \$126 million in wages to local construction workers. The employee economic impact during construction would be almost \$290 million annually.

For permanent employment, the developer is estimating that the project will employ over 4,000 people who will earn approximately \$220 million in wage and salary payments each year. This generates an annual employee economic impact of \$506 million. In addition to these new jobs the project will attract an additional 4,301 new residents to the valley.

Applied Economics Analysis showed that the direct, indirect, and induced labor would yield 6,684 new employees earning \$95.6 million annually. Other new development that will be driven because of the construction of World Jewelry Center is an additional:

71,890 sq ft of Hotel/Casino	1,064,159 sq ft of Retail
421,660 sq ft of Office	594,548 sq ft Supporting Business Venues
1,519 Residential Units	

The Developer has prepared an Employment Plan to ensure the use of qualified labor during the construction of the Project. The Employment Plan is attached as Exhibit F to the Owner Participation Agreement.

Finding 7: The Project demonstrates greater social and financial benefits to the community than would a similar set of buildings, facilities, structures or other improvements not paid for by the Agency.

The developer is bringing a new national and international industry to Las Vegas that currently does not exist in the City. A Foreign Trade Zone has been approved for Parcel E to facilitate the success of the international venue. The over 4,000 employees in the project will earn, on average, an annual wage of \$55,000, which is above the current median household income.

Finding 8: The Project would result in the Agency receiving a substantially higher level of future net revenues attributable to the buildings, facilities, structures or other improvements.

This is shown in great detail in the spreadsheet analysis, which is attached to this report as an appendix. Because of the massive size of the Project on such a small parcel of ground the Agency could receive over \$5 million annual even after providing Tax Increment Financing. The Affordable Housing Set-aside program could receive almost \$3 million annually.

Finding 9: No other reasonable means of financing are available, because the Project with the events center has negative annual cash flow (debt service exceeds net operating income).

The current construction market is building Class A office space at a price between \$300 and \$600 per square foot. Project costs for World Jewelry Center are at \$766 per square foot necessitating financial assistance. This final finding is supported by the developer's Tax Increment Financing Application where the tax increment fills a \$81,386,167 financial gap in the funding of the Project. Included in the application is an affidavit from the developer.

ASSUMPTIONS

Most of our buyers/tenants will be relocating management personnel and highly skilled workers from other states and countries, but will hire and train most of their other staff locally. Very few will be relocating from within Clark County, or Nevada as a whole. For the most part it is presumed that they will be locating branch offices or sales/distribution centers in WJC, not company headquarters. Some may opt to headquarter at WJC if they can take advantage of the lack of state income tax.

Target market for residential condominium sales will be couples without children, young professionals, and corporate executives. Average occupancy is presumed 1.5 adults per residential condominium. About a third of the condominiums will be sold to buyers of commercial condo units, and the balance would have a profile similar to other luxury high rise properties. We are assuming a 30% average year round occupancy.

Total Direct Employment (No. of permanent employees) - **4,001 (see excel worksheet for breakdown)**

Percentage of Employees currently living in city limits - **5% to 8%** of WJC total employment would currently reside within City limits. 30% of Las Vegas residents employed at WJC after total buildout is much more indicative of the total employees who would live in Las Vegas after relocating to the World Jewelry Center, perhaps even more, depending upon the timing and variety of housing choices within Union Park.

Total Annual Payroll (\$) - **\$219,754,000**

Percent skilled workforce - **58%**

Percent semi-skilled workforce - **31%**

Percent unskilled workforce - **11%** Total Hard Cost - **\$496,613,000**

Total Equipment (Fixtures) Purchase, local: - **\$63,160,000**

Total Equipment (Fixtures) Purchase, nonlocal: - **\$33,000,000** Monthly Electric Cost - **\$133,760**

Monthly Natural Gas Cost - **\$158,000**

Monthly sewer usage (in 1,000 gallons) – **850** New Street Miles added (estimate of linear street mileage around WJC) - **2,415 lineal feet (approx ½ mi)**

Average square feet per residential unit - **1,447 SF**

Matt Construction believes that 5,000-6,000 construction jobs will be created during the development of WJC. Average over 1,000 workers each day with 1,600 workers at peak point.

**HERITAGE NEVADA VIII LLC
WORLD JEWELRY CENTER PROJECT
ECONOMIC IMPACT MODEL DATA**

	Employee per sf	Gross area (SF)	# of Employees
TOWER			
Offices (11-42 floors)	250	752,182	3,009
Bank 1st & 2nd floors	250	10,930	44
Restaurant 2nd floor	100	10,145	101
Retail Ground Floor	250	2,286	9
Exhibit Hall	500	23,879	48
Club	250	23,879	96
Spa/Fitness	250	10,000	40
Valet 24/7 (day shift=25)			75
Bldg Engineers (24/7)			12
Security 24/7 (day shift=40)			120
Office Management		2,286	8
Cleaning Staff			30
Concierge Residential (24/7)			3
Concierge Tower Lobby (24/7)			3
RETAIL (2 stories)			
Retail	500	69,267	139
Office Management			8
Restaurants	100	10,701	107
Food Court	100	6,127	61
Spa	250	11,507	46
Raw Bar	100	2,094	21
Tea Kitchen	100	2,237	22
TOTAL EMPLOYEES			4,001

TOTAL ECONOMIC IMPACT SUMMARY

CITY OF LAS VEGAS

World Jewelry Center Office

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Demographic										
Population	0	0	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
School Age Population	0	0	562	562	562	562	562	562	562	562
Households	0	0	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278
Economic										
Employment	0	0	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284
Personal Income	\$0	\$0	\$76,033,824	\$76,033,824	\$76,033,824	\$76,033,824	\$76,033,824	\$76,033,824	\$76,033,824	\$76,033,824
Output	\$0	\$0	\$551,624,173	\$551,624,173	\$551,624,173	\$551,624,173	\$551,624,173	\$551,624,173	\$551,624,173	\$551,624,173
Real Estate										
Residential Units	0	0	1278	1278	1278	1278	1278	1278	1278	1278
Non-residential Sq. Feet	0	0	5,141,362	5,141,362	5,592,735	6,371,082	7,149,429	7,927,776	8,706,123	9,484,470
Assessed Value	\$217,115,389	\$299,954,805	\$608,518,579	\$594,094,579	\$584,478,579	\$577,747,379	\$571,016,179	\$564,284,979	\$564,284,979	\$564,284,979

Office

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REAL ESTATE SUPPORTED BY:
World Jewelry Center Office
CITY OF LAS VEGAS

Land Use	Square Feet Supported										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Hotel/Casino	0	0	63,336	63,336	63,336	63,336	63,336	63,336	63,336	63,336	
Retail	0	0	659,159	659,159	659,159	659,159	659,159	659,159	659,159	659,159	
Office	0	0	1,080,827	1,556,694	2,335,041	3,113,388	3,891,735	4,670,082	5,448,429	6,226,776	
Industrial	0	0	150,970	150,970	150,970	150,970	150,970	150,970	150,970	150,970	
Hospital/Medical Office	0	0	16,631	16,631	16,631	16,631	16,631	16,631	16,631	16,631	
Utilities	0	0	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	
Schools	0	0	209,392	209,392	209,392	209,392	209,392	209,392	209,392	209,392	
Government	0	0	11,949	11,949	11,949	11,949	11,949	11,949	11,949	11,949	
Other	0	0	34,804	34,804	34,804	34,804	34,804	34,804	34,804	34,804	
Housing Units	0	0	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	
Total Square Feet	0	0	2,229,574	2,705,441	3,483,788	4,262,135	5,040,482	5,818,829	6,597,176	7,375,523	

Source: U.S. Bureau of Labor Statistics; Applied Economics.

REAL ESTATE SUPPORTED BY:
World Jewelry Center Office
CITY OF LAS VEGAS

Land Use	Square Feet Supported										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Hotel/Casino	63,336	63,336	63,336	63,336	63,336	63,336	63,336	63,336	63,336	63,336	
Retail	659,159	659,159	659,159	659,159	659,159	659,159	659,159	659,159	659,159	659,159	
Office	7,005,123	7,005,123	8,561,817	9,340,164	10,118,511	10,896,858	11,675,205	12,453,552	13,231,899	14,010,246	
Industrial	150,970	150,970	150,970	150,970	150,970	150,970	150,970	150,970	150,970	150,970	
Hospital/Medical Office	16,631	16,631	16,631	16,631	16,631	16,631	16,631	16,631	16,631	16,631	
Utilities	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	
Schools	209,392	209,392	209,392	209,392	209,392	209,392	209,392	209,392	209,392	209,392	
Government	11,949	11,949	11,949	11,949	11,949	11,949	11,949	11,949	11,949	11,949	
Other	34,804	34,804	34,804	34,804	34,804	34,804	34,804	34,804	34,804	34,804	
Housing Units	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	1,278	
Total Square Feet	8,153,870	8,153,870	9,710,564	10,488,911	11,267,258	12,045,605	12,823,952	13,602,299	14,380,646	15,158,993	

Source: U.S. Bureau of Labor Statistics; Ap

Source: U.S. Bureau of Labor Statistics; Ap

World Jewelry Center Retail

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TOTAL ECONOMIC IMPAC
CITY OF LAS VEGAS
World Jewelry Center Retail

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Demographic										
Population	901	901	901	901	901	901	901	901	901	901
School Age Population	149	149	149	149	149	149	149	149	149	149
Households	339	339	339	339	339	339	339	339	339	339
Economic										
Employment	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Personal Income	\$19,604,041	\$19,604,041	\$19,604,041	\$19,604,041	\$19,604,041	\$19,604,041	\$19,604,041	\$19,604,041	\$19,604,041	\$19,604,041
Output	\$171,813,037	\$171,813,037	\$171,813,037	\$171,813,037	\$171,813,037	\$171,813,037	\$171,813,037	\$171,813,037	\$171,813,037	\$171,813,037
Real Estate										
Residential Units	339	339	339	339	339	339	339	339	339	339
Non-residential Sq. Feet	4,386,351	4,806,351	5,226,351	5,646,351	6,066,351	6,486,351	6,906,351	7,326,351	7,746,351	8,166,351
Assessed Value	\$57,501,523	\$57,501,523	\$57,501,523	\$57,501,523	\$57,501,523	\$57,501,523	\$57,501,523	\$57,501,523	\$57,501,523	\$57,501,523

REAL ESTATE SUPPORTED BY:
World Jewelry Center Retail
CITY OF LAS VEGAS

Land Use	Square Feet Supported										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Hotel/Casino	0	0	65,554	65,554	65,554	65,554	65,554	65,554	65,554	65,554	
Retail	0	210,000	630,000	1,050,000	1,470,000	1,890,000	2,310,000	2,730,000	3,150,000	3,570,000	
Office	0	0	156,062	156,062	156,062	156,062	156,062	156,062	156,062	156,062	
Industrial	0	0	107,468	107,468	107,468	107,468	107,468	107,468	107,468	107,468	
Hospital/Medical Office	0	0	5,204	5,204	5,204	5,204	5,204	5,204	5,204	5,204	
Utilities	0	0	945	945	945	945	945	945	945	945	
Schools	0	0	48,742	48,742	48,742	48,742	48,742	48,742	48,742	48,742	
Government	0	0	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	
Other	0	0	7,577	7,577	7,577	7,577	7,577	7,577	7,577	7,577	
Housing Units	0	0	339	339	339	339	339	339	339	339	
Total Square Feet	0	210,000	1,026,351	1,446,351	1,866,351	2,286,351	2,706,351	3,126,351	3,546,351	3,966,351	

Source: U.S. Bureau of Labor Statistics; Applied Economics.

REAL ESTATE SUPPORTED BY:
World Jewelry Center Retail
CITY OF LAS VEGAS

Land Use	Square Feet Supported										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Hotel/Casino	65,554	65,554	65,554	65,554	65,554	65,554	65,554	65,554	65,554	65,554	
Retail	3,990,000	4,410,000	4,830,000	5,250,000	5,670,000	6,090,000	6,510,000	6,930,000	7,350,000	7,770,000	
Office	156,062	156,062	156,062	156,062	156,062	156,062	156,062	156,062	156,062	156,062	
Industrial	107,468	107,468	107,468	107,468	107,468	107,468	107,468	107,468	107,468	107,468	
Hospital/Medical Office	5,204	5,204	5,204	5,204	5,204	5,204	5,204	5,204	5,204	5,204	
Utilities	945	945	945	945	945	945	945	945	945	945	
Schools	48,742	48,742	48,742	48,742	48,742	48,742	48,742	48,742	48,742	48,742	
Government	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	
Other	7,577	7,577	7,577	7,577	7,577	7,577	7,577	7,577	7,577	7,577	
Housing Units	339	339	339	339	339	339	339	339	339	339	
Total Square Feet	4,386,351	4,806,351	5,226,351	5,646,351	6,066,351	6,486,351	6,906,351	7,326,351	7,746,351	8,166,351	

Source: U.S. Bureau of Labor Statistics; Ap

Source: U.S. Bureau of Labor Statistics; Ap

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Heritage-Nevada VIII, LLC
TIF Calculations - Summary

Tax Year	TIF Difference (actual less base)	TIF Agreement Share	Present Value Future Taxes
2010		50%	
2011	\$8,229,897	\$4,114,949	\$4,114,949
2012	\$8,591,247	\$4,295,623	\$4,089,512
2013	\$8,985,766	\$4,492,883	\$4,072,074
2014	\$9,317,889	\$4,658,944	\$4,019,975
2015	\$9,813,773	\$4,906,887	\$4,030,762
2016	\$10,249,329	\$5,124,664	\$4,007,669
2017	\$10,886,545	\$5,443,272	\$4,052,582
2018	\$11,430,219	\$5,715,109	\$4,050,807
2019	\$12,026,087	\$6,013,044	\$4,057,483
2020	\$12,646,651	\$6,323,326	\$4,062,124
2021	\$13,299,124	\$6,649,562	\$4,066,735
2022	\$13,984,865	\$6,992,432	\$4,071,237
2023	\$14,705,250	\$7,352,625	\$4,075,546
2024	\$15,461,671	\$7,730,836	\$4,079,577
2025	\$16,255,530	\$8,127,765	\$4,083,242
2026	\$17,088,225	\$8,544,113	\$4,086,451
2027	\$17,961,151	\$8,980,576	\$4,089,110
2028	\$18,875,683	\$9,437,842	\$4,091,123
2029	\$19,833,169	\$9,916,585	\$4,092,393
2030	\$20,834,915	\$10,417,457	\$4,092,816
	\$270,476,987	\$135,238,494	\$81,386,167

Flat Annual Pymts	\$8,314,051
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Heritage-Nevada VIII, LLC
TIF Calculations - Residential Condominiums

Projections based on the following assumptions:

Calendar Year	Est. Val. of Real Prop. Impr.	Est. Val. of Land
2010	\$210,895,543	\$0

Property Assessment %	Est. Effective Tax Rate for Prop.	Value Growth Rate	NRS Impmt Depreciation Rate	Discount Rate (Taxable Bond 20-yr) + 300 basis pts.	Est. Taxable Value
35%	see below by year	3.0%	-1.5%	5.04%	8.04%

Tax Year	Est. Appraised Value of Land Value	Est. Appraised Value of Real Prop. Impr.	Depreciation	Assessment %	Est. Taxable Value	Effective Tax Rate	Actual Tax Increment	Tax Increment Base	TIF Difference (actual less base)	TIF Agreement Share	Present Value Future Taxes
2010	\$0	\$217,016,409	(\$3,255,246)	35%	\$0	2.583%	\$0	\$0	\$1,946,498	50%	\$973,249
2011	\$0	\$223,526,902	(\$6,705,807)	35%	\$74,816,407	2.602%	\$1,946,498	\$0	\$1,957,819	\$973,249	\$931,940
2012	\$0	\$230,232,709	(\$10,350,472)	35%	\$76,955,283	2.580%	\$1,972,210	\$0	\$1,972,210	\$985,105	\$893,745
2013	\$0	\$237,139,690	(\$14,228,381)	35%	\$78,018,958	2.563%	\$1,969,120	\$0	\$1,969,120	\$997,915	\$849,529
2014	\$0	\$244,253,881	(\$18,319,041)	35%	\$79,077,194	2.524%	\$1,985,829	\$0	\$1,985,829	\$1,002,691	\$819,737
2015	\$0	\$251,581,497	(\$22,642,335)	35%	\$80,128,707	2.503%	\$2,005,381	\$0	\$2,005,381	\$1,024,149	\$784,140
2016	\$0	\$259,128,942	(\$27,208,339)	35%	\$81,172,141	2.523%	\$2,048,288	\$0	\$2,048,288	\$1,033,782	\$762,491
2017	\$0	\$266,902,810	(\$32,028,337)	35%	\$82,206,066	2.515%	\$2,067,565	\$0	\$2,067,565	\$1,043,328	\$732,734
2018	\$0	\$274,909,894	(\$37,112,836)	35%	\$83,228,971	2.512%	\$2,090,656	\$0	\$2,090,656	\$1,056,143	\$705,367
2019	\$0	\$283,157,191	(\$42,473,579)	35%	\$84,239,264	2.507%	\$2,112,286	\$0	\$2,112,286	\$1,066,734	\$678,469
2020	\$0	\$291,651,907	(\$48,122,565)	35%	\$85,235,270	2.503%	\$2,133,467	\$0	\$2,133,467	\$1,077,080	\$652,392
2021	\$0	\$300,401,464	(\$54,072,264)	35%	\$86,215,220	2.499%	\$2,174,317	\$0	\$2,174,317	\$1,087,158	\$627,113
2022	\$0	\$309,413,508	(\$60,335,634)	35%	\$87,177,256	2.494%	\$2,193,895	\$0	\$2,193,895	\$1,096,947	\$602,610
2023	\$0	\$318,695,913	(\$66,926,142)	35%	\$88,119,420	2.490%	\$2,212,843	\$0	\$2,212,843	\$1,106,422	\$578,861
2024	\$0	\$328,256,791	(\$73,857,778)	35%	\$89,039,655	2.485%	\$2,231,112	\$0	\$2,231,112	\$1,115,556	\$555,845
2025	\$0	\$338,104,495	(\$81,145,079)	35%	\$90,805,569	2.481%	\$2,248,649	\$0	\$2,248,649	\$1,124,324	\$533,545
2026	\$0	\$348,247,629	(\$88,803,145)	35%	\$91,646,587	2.476%	\$2,265,397	\$0	\$2,265,397	\$1,132,698	\$511,937
2027	\$0	\$358,695,058	(\$96,847,666)	35%	\$92,456,341	2.472%	\$2,281,299	\$0	\$2,281,299	\$1,140,649	\$491,003
2028	\$0	\$369,455,910	(\$105,294,934)	35%	\$93,232,199	2.467%	\$2,296,294	\$0	\$2,296,294	\$1,148,147	\$470,725
2029	\$0			35%		2.463%		\$0			\$451,084
2030	\$0	\$380,539,587	(\$114,161,876)	35%							

\$42,357,093	\$21,178,546	\$13,606,517
\$42,357,093	\$1,389,982	

Fiat Annual Pymts

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Heritage-Nevada VIII, LLC
TIF Calculations - Commercial Property Component

Projections based on the following assumptions:

Calendar Year	Est. Val. of Real Prop. Impr.	Est. Val. Of Land
2010	\$647,810,039	\$10,229,573

Property Assessment %	Est. Effective Tax Rate for Prop.	Value Growth Rate	NRS Impmt Depreciation Rate	Discount Rate (Taxable Bond 20-yr)	Discount Rate (Taxable Bond 20-yr) + 300 basis pts.
35%	see below by year	8.0%	-1.5%	5.04%	8.04%

Tax Year	Est. Appraised Value of Land Value	Est. Appraised Value of Real Prop. Impr.	Depreciation	Assessment %	Est. Taxable Value	Effective Tax Rate	Actual Tax Increment	Tax Increment Base	TIF Difference (actual less base)	TIF Agreement Share	Present Value Future Taxes
2010	\$10,229,573										
2011	\$11,047,939	\$699,634,842	(\$10,494,523)	35%	\$3,580,351	2.583%	\$92,480	\$92,480	\$6,283,399	\$3,141,699	\$3,141,699
2012	\$11,931,774	\$755,605,629	(\$22,669,169)	35%	\$260,704,232	2.580%	\$6,375,879	\$92,480	\$6,633,428	\$3,316,714	\$3,157,572
2013	\$12,886,316	\$816,054,079	(\$36,722,434)	35%	\$277,276,287	2.563%	\$7,106,037	\$92,480	\$7,013,556	\$3,506,778	\$3,178,329
2014	\$13,917,221	\$881,338,406	(\$52,569,304)	35%	\$294,831,363	2.524%	\$7,441,249	\$92,480	\$7,348,768	\$3,674,384	\$3,170,446
2015	\$15,030,599	\$951,845,478	(\$71,386,411)	35%	\$313,420,683	2.524%	\$7,910,425	\$92,480	\$7,817,944	\$3,908,972	\$3,211,025
2016	\$16,233,047	\$1,027,993,116	(\$92,519,300)	35%	\$333,087,374	2.503%	\$8,336,428	\$92,480	\$8,243,948	\$4,121,974	\$3,223,530
2017	\$17,531,690	\$1,110,232,566	(\$116,574,419)	35%	\$353,916,443	2.523%	\$8,930,728	\$92,480	\$8,838,247	\$4,419,124	\$3,290,091
2018	\$18,934,226	\$1,199,051,171	(\$143,886,141)	35%	\$375,934,740	2.515%	\$9,455,135	\$92,480	\$9,362,654	\$4,681,327	\$3,318,073
2019	\$20,448,964	\$1,294,975,265	(\$174,821,661)	35%	\$399,210,899	2.512%	\$10,027,912	\$92,480	\$9,935,431	\$4,967,716	\$3,352,116
2020	\$22,084,881	\$1,398,573,286	(\$209,786,993)	35%	\$423,805,261	2.507%	\$10,626,846	\$92,480	\$10,534,366	\$5,267,783	\$3,383,684
2021	\$23,851,671	\$1,510,459,149	(\$249,225,760)	35%	\$449,779,771	2.503%	\$11,258,138	\$92,480	\$11,165,657	\$5,562,829	\$3,414,343
2022	\$25,759,805	\$1,631,295,880	(\$293,633,259)	35%	\$477,197,849	2.499%	\$11,923,186	\$92,480	\$11,830,705	\$5,915,353	\$3,444,124
2023	\$27,820,589	\$1,761,799,551	(\$343,550,812)	35%	\$506,124,230	2.494%	\$12,623,413	\$92,480	\$12,530,933	\$6,285,466	\$3,472,937
2024	\$30,045,930	\$1,902,743,515	(\$399,576,138)	35%	\$536,624,765	2.490%	\$13,360,257	\$92,480	\$13,267,777	\$6,633,888	\$3,500,716
2025	\$32,449,936	\$2,054,962,996	(\$462,366,674)	35%	\$568,766,190	2.485%	\$14,135,167	\$92,480	\$14,042,686	\$7,021,343	\$3,527,396
2026	\$35,045,930	\$2,219,360,036	(\$532,646,409)	35%	\$602,615,845	2.481%	\$14,949,593	\$92,480	\$14,857,113	\$7,428,556	\$3,552,906
2027	\$37,849,605	\$2,396,908,839	(\$611,211,754)	35%	\$638,241,341	2.476%	\$15,804,983	\$92,480	\$15,712,503	\$7,856,251	\$3,577,173
2028	\$40,877,573	\$2,588,661,546	(\$698,938,617)	35%	\$675,710,176	2.472%	\$16,702,767	\$92,480	\$16,610,287	\$8,305,143	\$3,600,120
2029	\$44,147,779	\$2,795,754,470	(\$796,790,024)	35%	\$715,089,279	2.467%	\$17,644,351	\$92,480	\$17,551,871	\$8,775,935	\$3,621,668
2030	\$47,679,601	\$3,019,414,827	(\$905,824,449)	35%	\$756,444,493	2.463%	\$18,631,102	\$92,480	\$18,538,621	\$9,269,311	\$3,641,731
							\$230,061,984		\$228,119,894	\$14,059,947	\$67,779,651
										Flat Annual Pymts	\$6,924,069

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